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C O N F I D E N T I A L SECTION 01 OF 03 SUVA 000338

SIPDIS

SIPDIS

E.O. 12958: DECL: 06/27/2027

TAGS: PGOV PHUM TN

SUBJECT: TONGA POLITICAL UNCERTAINTY, RECONSTRUCTION DELAYS

CONTINUE

REF: SUVA 224 (AND PREVIOUS)

Classified By: Amb. Dinger. Reasons: Sec. 1.4 (b) and (d)

## Summary

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¶1. (C) As Tonga's Parliament was adjourning its session just after last November's tragic riot in Nuku'alofa, new King George V tasked government and pro-democracy critics to conclude the national debate on democratic reforms for Tonga's monarchy and provide a solution for the next session of Parliament to consider in June. However, Prime Minister Seveli has insisted that pro-democracy leaders accused of riot offenses first face justice. Multiple court cases are under way, including for five People's Representatives arraigned on sedition charges. Reportedly, reform discussion in Parliament may resume in early July, once the new budget is wrapped up. Both sides claim readiness to consider a degree of compromise. Elections are due in early 2008. but PM Sevele has expressed skepticism that post-riot Tonga will be ready. Some pro-democracy activists continue to call for structural reforms in time for next year's elections; others seem ready to delay elections if meaningful reform really is in the offing. A memorandum of understanding with China to help rebuild Nuku'alofa could re-ignite debate about the King's business interests. It appears the aid will be "in kind," which would further complicate efforts by businesses to rebuild. End summary.

Government's Mantra: Yes to Reconciliation, but Justice First

- 12. (C) Overall, some 1,200 riot suspects were arrested, and five pro-democracy "People's Representative" parliamentarians have been charged with sedition for their alleged roles in the public demonstrations that disintegrated into the November 16 riot and arson. Of those arrested, fewer than 900 have been charged and only about 500 will face trial, the great majority for theft and similar charges to be heard in the lower magistrates courts. Contacts have told us that thus far fewer than 30 people have been remanded to the Supreme Court, which is hearing all cases involving serious offenses.
- 13. (C) The five parliamentarians appeared before a preliminary hearing in May; they will be tried before Tonga's Supreme Court on dates to be set July 18. At the conclusion of the May hearings, the five defendants told the court they wished to be tried by judge and not jury. However, one defendant, Akilisi Pohiva, told us he now intends to request a jury. A long-time pro-democracy leader and one of the

chief figures at the November demonstrations, Pohiva feels a jury drawn from "the people" will acquit him. According to an Australian diplomat in Tonga, the Australian seconded to assist Tonga's Chief Justice in the trials will be highly demanding of the government prosecutors' cases. The diplomat does not expect the evidence against the five parliamentarians to be sufficient to lead to convictions.

14. (C) Pohiva, who has moderated his rabble-rousing tone since the riot, told us blame for the failure of government and the people's opposition to start talking again lies at the feet of PM Fred Seveli. Pohiva said the PM's personal losses in the November 16 events — his family supermarket, the country's largest, was looted and burned — have clouded his judgment. Several embassy contacts have observed that the PM is a changed man, embittered and unable to see beyond an oft-stated insistence that those he sees as responsible for the riot must first admit their errors and seek forgiveness from the people before the two sides can reconcile.

Seven Months On: Signs of a Thaw...or Not

15. (C) Still, seven months after the riot and fires that wasted much of the capital's business district, Tonga might be about to restart the political dialogue cut short on November 16. According to Pohiva, Deputy Prime Minister Tangi told Parliament in June that once debate concludes on the government's budget estimates for the fiscal year beginning July 1, debate on the future of political reform could begin. Some remain doubtful. Pro-democracy people's representative Clive Edwards told us that government may instead redirect debate to a memorandum of understanding just concluded with China on the rebuilding of Nuku'alofa.

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According to Edwards, government plans to push through the MOU, call a break until August, re-open parliament for just three weeks and then close it until after constitutionally-mandated elections in early 2008 (see para 7).

16. (C) Advisor to the Prime Minister, Lopeti Senetuli, told us he was not aware when government plans to begin debating reforms again. He said that, when debate does begin, government will seek to channel review of competing proposals into a nine-member, tripartite committee, with members drawn equally from the Cabinet, the nobles, and the People Representatives. That concept was rejected by some pro-democracy advocates on the eve of the riot as a diversion from what they saw as Parliament's obligation to act on proposals presented last September by the National Committee on Political Reform. Senetuli believes Parliament as a "committee of the whole" would never reach consensus, but the small committee could. Democracy advocates have complained that the tripartite committee would be dominated by nobles and cabinet; but Senetuli says outcomes would be based on consensus, so relative strengths within the committee are moot. Not totally convinced, Pohiva does now appear ready at least to consider the tripartite committee as a means to get talks going again.

Numbers and Timing: Room for Compromise?

17. (C) PM Sevele has said publicly, and reaffirmed to us privately in April (reftel) that he does not think Tonga can be sufficiently recovered from the November 2006 riot to hold elections in early 2008. In April, Sevele suggested 2010 or 12011. However, Senetuli told us government now prefers to hold the elections on schedule, but without reform, basing it on the existing division of seats: 9 people's reps and 9 nobles. (Another 12-16 MPs currently are non-elected members of the Cabinet, appointed by the King.) The Tuipelehake Committee proposed an all-elected parliament of 26, raising the people's share to 17 and leaving the nobles at nine. Sevele then tossed in a spanner, suggesting 14 people's reps

and 9 nobles, with an additional "four or five" to be nominated by the King (thus potentially maintaining royal control). With that, the pro-democracy camp offered a 21 people's rep, 9 nobles split.

18. (C) People's rep Clive Edwards said the pro-democracy camp is prepared to compromise on its call for 21-9, though a lot would depend on government's willingness to make a deal now, in time for the 2008 elections. "2009 (or later)," he said, "is a bit remote." Pohiva said that the People's Committee for Political Reform, made up of pro-democracy activists, wants reforms in place in time for a 2008 election, but he himself is prepared to accept elections in 2009 if government will compromise on the numbers. He speculated that committee members might be willing to accept a  $\bar{1}7-9-2$  variation, with the people electing 17, the nobles 9 and the king appointing 12. Other political activists we spoke to were mainly focused on the need to keep the political-reform process moving, based perhaps on steps in which the two sides accept interim arrangements along with an schedule that would keep the next election from slipping off into 2011 or beyond.

## The China Syndrome

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19. (C) Looming over the Tonga political scene is the government's recently struck MOU with China for 118 million pa'anga (US\$ 55 million), announced as assistance for the reconstruction of Nuku'alofa. The pro-democracy camp is suspicious that government will use some of the Chinese aid to buy out the King's interest in the national electricity utility. However, government, which clearly was seeking to convince China to provide some of the assistance as un-tied financing, now insists that China is not providing any cash at all. Senetuli said the entire package is tied to Tonga's reconstruction plans, and much of the total will be in kind, in the form of materials and actual construction.

The Rebuild: Waiting on Insurers and the Courts

110. (C) The rebuilding of Nuku'alofa has not yet begun in earnest, in good part because most major business owners have not received insurance payouts. According to business and legal figures, several large insurers are awaiting the outcome of the sedition trials against the People's

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Representatives. If the five are convicted, insurers will claim the riot was an insurrection and invoke an escape clause. Some business people complain that government intends onerous standards on those planning to rebuild. Reportedly when government attempted to demand that all new buildings be at least three stories tall, owners roundly rejected the concept. Ambitious plans to re-wire and re-plumb the entire central business district and to widen streets are also receiving little enthusiasm from business people. Many business owners face a crunch: having to finance rebuilding when original construction loans remain on the books. A number are setting up shop outside the center where costs are lower and land-tenure issues area less convoluted.

## Comment

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11. (C) As noted previously, all in Tonga now appear to be on record in support of "reform." Less clear are judgments about pace and degree. Politicians will need to chart a delicate course as they debate a new parliamentary structure and decide on an election schedule. At the same time, Tonga's economy desperately needs rebuilding. Some predicted China aid would be the saving grace, and surely that will help resurrect public infrastructure. However, private businesses need financing, and it is not at all clear who will provide the funds if insurance proceeds remain scant. DINGER